

AUDIT COMMITTEE	AGENDA ITEM NO. 5
22 SEPTEMBER 2016	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton Cabinet Member for Resources	
Contact Officer(s):	Kevin Dawson, Head of Resilience	Tel. 453464

RISK MANAGEMENT AND BUSINESS CONTINUITY

R E C O M M E N D A T I O N S	
FROM : Kevin Dawson, Head of Resilience	Deadline date : N/A
<p>Audit Committee is recommended to:</p> <ol style="list-style-type: none"> 1. Comment on and note the latest Risk Management Report. 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to the Audit Committee as a routine planned report on risk management.

2. PURPOSE AND REASON FOR REPORT

The purpose of this report is to provide an update on Risk Management under its terms of reference 2.2.1.12 " To monitor the effective development and operation of risk management and corporate governance in the council and to:

- To provide the Audit and Committee with the profile of Corporate risks faced by the Council;
- To provide details of significant changes to the Corporate Risk Register since the last report to the Committee on 27 March 2016; and
- To provide the Audit Committee with the profile of risks faced by corporate and executive directorates.

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. RISK MANAGEMENT REVIEW

- 4.1 In accordance with best practice, the Council operates a risk management approach at corporate and service levels across the Council, seeking to identify key risks which might prevent the Council's priorities from being successfully achieved.
- 4.2 The risk management approach is encapsulated in the following key documents:
 - Risk Management Policy

This document sets out the Council's Policy on the management of risk, including the Council's approach to the level of risk it is prepared to countenance as expressed as a maximum risk appetite.

The Risk Management Policy states that the Council aims to manage risk in a manner which is proportionate to the risk faced based on the experience and expertise of its senior managers, although this must be within the Council's risk appetite. Audit Committee members are therefore reminded that accepting a residual risk score of amber is appropriate provided that an objective risk assessment has been undertaken.

This document details the procedures through which the Council will identify, assess, monitor and report key risks. The Risk Management Procedures document is owned by the Corporate Management Team (CMT).

4.3 The key role of Audit Committee in the management of risk is:

- It provides independent assurance of the adequacy of the Council's risk management framework and the associated control environment.

4.4 Risk Identification

The Council's approach to risk identification is described in the following extract from the Council's Risk Management Policy as approved by CMT:

- Risk management should operate within a culture of transparency and openness where risk identification is encouraged and risks are escalated where necessary to the level of management best placed to manage them effectively;
- Risk management should be embedded in everyday business processes;
- Officers of the Council should be aware of, and operate, the Council's risk management approach where appropriate;
- Councillors should be aware of the Council's risk management approach and of the need for the decision making process to be informed by robust risk assessment, with General Purposes Committee members being involved in the identification of risk on an annual basis.

4.5 Ownership of the Corporate Risk Register (CRR) lies with CMT which reviews the Register on a quarterly basis. CMT members have had sight of the CRR during July/August 2016.

4.6 This report is supported by:

- The Corporate Risk management Policy (Appendix 1)
- The Corporate Risk Register (Appendix 2)

5. CORPORATE RISK REGISTER UPDATE

5.1 Following the review of corporate risks during July/August 2016, CMT is confident that the CRR is a comprehensive expression of the main risks faced by the Council and that mitigation is either in place, or in the process of being developed, to ensure that each risk is appropriately managed.

The current risks are listed below:

Risk 1: Failure to plan for/realise implications of Growth Agenda

The Corporate Risk Register currently scores the residual risk of failure as amber and there has been no change in the score since the last review in April 2016.

Risk 2: Impact of social demographic change

The score within the Corporate Risk Register remains at red and the actions have been clarified to mitigate the risk.

Risk 3: School places

The score within the Corporate Risk Register remains at red and the strategies have been updated to mitigate the risk.

Risk 4: Corporate manslaughter/health and safety incident

There are no changes in this risk and the Corporate Risk Register score remains at amber.

Risk 5: Crime and ASB Reduction/Cohesion

The Corporate Risk Register continues to score this risk at amber however the strategies within current controls have been updated.

Risk 6: Safeguarding

The Corporate Risk Register continues to score this risk at red however the actions have been updated to reflect current practice.

Risk 7: Information Governance

The score and amber rating within the Corporate Risk Register remains the same however the actions have been revised to reflect the recent policy review.

Risk 8: Financial position

The score has been reduced from red to amber to reflect the balanced position for 2016/17 and significant savings opportunities identified for 2017/18.

Risk 9: NHS funding and organisation

This risk has now been removed from the CRR.

Risk 9 (formerly 10): Strategic Partnerships failing to deliver as per expectations

There have only been minor changes within this risk reflecting changes in job titles. Both the score and amber rating remains the same.

7. KEY ONGOING ISSUES FOR 2016/17

- Quarterly review of Strategic (corporate) risk register by CMT;
- Coordination of Strategic and Departmental risk registers, including escalation of risks from Department Registers up to CMT;
- Regular risk “conversations” within and between services at all levels;
- Updates on Insite, web and E-Learning; and
- Strategic issues e.g. introducing and embedding Risk Management into procurement processes, induction briefings and business plans.

8. ANTICIPATED OUTCOMES

- 8.1 Audit Committee note and comment on the contents of this report.

9. REASONS FOR RECOMMENDATIONS

- 9.1 Risk management is a key component of the Council's Corporate Governance Framework which will take time to review and embed effectively.

10. ALTERNATIVE OPTIONS CONSIDERED

- 10.1 None

11. IMPLICATIONS

- 11.1 The identification of risks and the proper management of those risks will ensure that:

- The Council's environmental policies and ambitions can be met; the Council is able to mitigate against potential financial losses, litigation claims and reputational damage; the Council is able to effectively deliver the strategic priorities.

11.2 Legal

- 11.3 The Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which includes effective arrangements for the management of risk.

12. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

- 12.1 Peterborough City Council Risk Management Policy 2015.

13 APPENDICES

Appendix 1 - Strategic Risk Register v 8.7

Appendix 2 - Risk Management Policy v4.8